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Proposed Budget Includes Cuts in Section 8 Housing Voucher Program

By Aisha Cornelius

Proposed budget cuts to the Section 8 Housing Voucher Program and the U.S. Dept. of Housing and Urban Development's retroactive decision to change the reimbursement process for public housing authorities on a per-voucher basis are some of the major concerns for housing advocates this year.

President Bush's proposed budget for the 2005 fiscal year, released last February, contains sweeping changes to the Housing Voucher Program that will reduce federal spending on low-income housing assistance. The proposed budget provides Section 8 with \$1.66 billion less than needed to fund all the vouchers currently in use.

Housing agencies would have to reduce the number of families that could receive assistance by more than 250,000, according to the Center on Budget and Policy Priorities. Currently, the Housing Voucher Program serves more than 2 million low-income households. The vouchers enable families, senior citizens, and persons with disabilities to secure housing in the private market, often in safer communities than traditional public housing, with better access to resources such as schools and jobs.

Additionally, the proposal seeks to turn the Housing Voucher Program, which is market-based, into a block grant to public housing authorities. Block-granting the program would be an effective cap on the costs to the federal government regardless of increases in housing costs. Eventually, public housing authorities would have no choice but to cut back on housing assistance.

Alphonso Jackson, Secretary of Housing and Urban Development, wrote in an Aug. 6, 2004, *New York Times* editorial that the changes are needed to improve the program. Jackson noted that the Housing Voucher Program consumes more than 50 percent of HUD's budget today, a dramatic increase from only five years ago when it only took up 36 percent of the budget. Jackson said that the costs are not justified because the program does not lead to self-sufficiency and that there are not enough people leaving the program and moving into home ownership.

Affordable housing advocates disagree with

the contention that the Housing Voucher Program has been unsuccessful. According to a 2001 report by the congressionally chartered Millennial Housing Commission, the Housing Voucher Program is the "linchpin" of federal housing policy. The commission report stated the program was "flexible, cost-effective, and successful in its mission."

The Housing Voucher Program was also affected by HUD's decision in April to fund existing vouchers at the market-level rent rates as of August 2003, the previous fiscal year. Affordable housing advocates believe that the decision was an attempt to reduce program spending. It was expected that many would lose their existing vouchers. Thirty-two program participants received letters of termination in Elgin, Ill., for example, according to Bob Palmer, Housing Justice Organizer of the Statewide Housing Action Coalition in Illinois.

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Although HUD has provided additional funds to many housing authorities to cover program deficits caused by the retroactive reimbursement change, the future of the program depends on national funding. Further action on the budget was on hold until after the election in November. Both the Senate and House committees working on the budget rejected the block-grant proposal change, but it is not clear how the other issues will fare when action resumes.

"It seems Bush's administration is out of touch with widespread public support for the Housing Voucher Program," Palmer said, who feels positive about the future of the program, especially in light of Congressional committees' rejection of the block grants. Palmer is not taking anything for granted though, and plans to continue advocating for support of the program with members of Congress.